

**TOWN OF ROCKY HILL  
FINANCE COMMITTEE  
MEETING OF APRIL 16, 2014**

Present: Chairwoman Cathy Vargas, Councilor Guy Drapeau and Councilor Bill MacDonald. Also present were John Mehr (Finance Director), Barbara Gilbert (Town Manager), Lisa Zerio (Director of Parks and Recreation & Custodial Staff) (Left at 5:16 p.m.), Joe Kask (BlumShapiro) (Left at 5:08 p.m.) and Jeff Ziplow (BlumShapiro) (Left at 5:08 p.m.).

Chairwoman Cathy Vargas called the April 16, 2014 meeting of the Finance Committee to order at 4:30 p.m. in the Council Chambers, Town Hall, 761 Old Main Street, Rocky Hill, CT.

**I. ACTION – APPROVAL OF MINUTES – MARCH 12, 2014 MEETING**

**Councilor Guy Drapeau made a motion to approve the Minutes of the March 12, 2014 meeting of the Finance Committee. The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

**II. ACTION – APPROVAL OF WORKING NOTES – MARCH 12, 2014 MEETING**

**Councilor Guy Drapeau made a motion to approve the Working Notes of the March 12, 2014 meeting of the Finance Committee. The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

**III. DISCUSSION – IT REPORT WITH THE AUDITORS**

Chairwoman Cathy Vargas asked Finance Director John Mehr if he wanted to do the formal introductions of the auditors. Finance Director John Mehr turned the meeting over to the auditors at this point. Chairwoman Cathy Vargas asked the auditors to state who they are for the record. Joe Kask said he an audit partner and the Director of Government Services with BlumShapiro. He is also the office managing partner in Hartford. He mentioned that he is the partner in charge of the Town of Rocky Hill audit engagement. He told the Committee that he knew they had questions relative to an IT infrastructure study that had been done so he asked Jeff Ziplow, who is one of his partners with BlumShapiro, to attend this meeting as well. Joe Kask said that Jeff Ziplow comes by way of Anderson Consulting and he is in charge of the work around SAS 109 and SAS 110. This is internal control work that is required when there is an audit. Joe Kask explained about the standards that Jeff Ziplow is very well versed in. Jeff Ziplow is the expert witness on IT systems for the State's Attorney General and he is also an expert on IT security, etc. for the State of Connecticut.

Joe Kask told the Committee that he knew they had some questions on the audit and he, as well as Jeff Ziplow, would see if they could get answers to them for these. Joe Kask said they have some responsibilities around internal controls as they relate to the financial management system

during the course of an audit. BlumShapiro “bifurcates” the way it approaches their audits. BlumShapiro consulting is engaged to come in to do some assessment work around the internal control structure on the financial management system as it relates to the audit. He asked them if they had some particular questions. He said that Finance Director John Mehr had mentioned that the Town had a study done and he had shared that with him, as well as with Jeff Ziplow. Joe Kask told the Committee that he wasn’t sure what their specific questions were relative to this study.

Chairwoman Cathy Vargas said that Councilor Bill MacDonald was the one who had requested this. Councilor Bill MacDonald thanked Joe Kask and Jeff Ziplow for coming. Councilor Bill MacDonald asked Joe Kask and Jeff Ziplow for the benefit of everyone, if they could give a flavor of the scope of work they do around the IT infrastructure when they do their regular financial audit and he also told them that he would like to get their take on the IT report that they had received from Finance Director John Mehr. Councilor Bill MacDonald then said that he would like to have a little discussion about management letter comments, specifically the lack thereof relating to IT as a result of the report they have.

Jeff Ziplow said from a financial audit perspective as a firm, they come in and look at a couple of things under the standards of SAS 109 and SAS 110. They look at the security around the financial software application. They also look at control and security around the network as a whole. He said that hopefully this Town has implemented security that is associated with the applications themselves and with the network. They are also going to do a “deeper dive” this coming year into user access and user security. They will look at who has access to what and they are going to try to identify segregation of duty and control types of discussion points. For SAS 109 and SAS 110, the overall mission is to take a look at the controls and security associated with the associated network and the financial management system. This is in order to provide the auditors with information about the integrity of financial information.

Joe Kask said just so they would all be on the same page that if they looked at the independent auditors report, which would be on Page 1 and 2 of this, that the first paragraph states that the financial statements are the responsibility of management. The responsibility of the auditor is to give an opinion and he explained some more. The next paragraph refers to internal controls. They don’t give an opinion on internal controls. Their audit requires them to access and understand internal controls so that they can direct their audit procedures in order to form an opinion and give one. They gain an understanding in the area of financial management systems to talk about and to direct their audit approach. He referred to their hierarchy of their audit reporting and he said that they can report on significant deficiencies, material weaknesses, as well as other types of financial best practices. He mentioned that an audit isn’t designed to detect fraud and it states this in the opinion. If something comes to their attention during the course of an audit that is of a significant deficiency or of a material nature then they have a responsibility to tell them about these things under government auditing standards that are issued by the GAO. They can talk to management about other types of financial issues. The significant deficiencies and material weaknesses have to be in writing.

Jeff Ziplow asked the Committee if they had other questions relative to SAS 109 or SAS 110 or the IT controls they review typically. Councilor Bill MacDonald assumed that they are able to

rely on the general controls within the operation because he hasn't seen any deficiencies and he said accordingly that they aren't doing extra substantive testing because of this. He confirmed that nothing is changing in the audit. Joe Kask said nothing has changed in the audit approach. They had comments relative to security on internal controls in 2007 and 2008. Some reports were issued in 2009 that Jeff Ziplow will be updating this year. They will cycle through their updated reports. Joe Kask said they didn't deviate from their originally planned audit approach when they had met with management and planned their audit. They had SAS 114 communications with Finance Director John Mehr, Phil Sylvestro (former Chairman of the Finance Committee) and Town Manager Barbara Gilbert. Joe Kask said they planned their audit and they didn't have to deviate from that as a result of their audit internal control assessment.

Jeff Ziplow asked the Committee if they had particular questions on the report. Councilor Bill MacDonald thinks that there were one hundred and three recommendations in this report. The consultant for this report (Dr. Picard) had raised issues about staffing, disaster backup and recovery, as well as training and First Responder issues, etc. Councilor Bill MacDonald explained some more and he said he is finding issues with everything that Dr. Picard is talking about. Councilor Bill MacDonald quoted from this report the following: "are in serious need of replacement and currently constitute a potentially serious threat to the health and the safety of the community". He referred to when he reads sentences like this that are tied into IT and when he looks back, he thinks that the last issue they had related to the Board of Education because they had a little discussion about that. He was taken back as to why there wouldn't be comments. He mentioned that these aren't material deficiencies but he finds it hard to believe that these aren't at a level of significant deficiencies for a couple of these as they relate to general controls. Even if they were to have a discussion as to whether this is significant or not, he told them that they might say it isn't significant but it is a best practice or these are regular deficiencies that they will disclose anyway like some other reports that they have deficiencies listed in. He told Joe Kask and Jeff Ziplow that they had nothing here though. Councilor Bill MacDonald told Joe Kask and Jeff Ziplow that he would like to know if maybe they had discussed this with management off of the record. Councilor Bill MacDonald said he is curious as to why he sees nothing in the audit report for so many general control IT issues that there are when he reads a report from an "expert". This is the main issue for him.

Jeff Ziplow told Councilor Bill MacDonald that he assumed he had the same report as him. This is just a listing of items that are based on different departments. Jeff Ziplow said from his perspective, when he had read through this report that he could summarize this and say that there certainly are shortages in the IT Staff, as well as that they haven't been reinvesting in hardware because there had been a lot of discussion about that. These types of things don't rise to the level of material risk or significant deficiency as this relates to a financial audit in particular. He thinks the intent and purpose of this report is more of a technology assessment and of technology planning to some extent although that was a bit limited. He thinks that this type of a report and detail of one is valuable but this is outside of the traditional IT security and control evaluation as identified in SAS 109 and SAS 110 as this relates to the financial management system itself.

Councilor Bill MacDonald referred to how the servers are maintained in a room that isn't adequately protected from fire because there is a sprinkler waterhead there that would wipe the servers out. Their financial system is run under this. He questioned if this isn't an issue that

should have been raised from the financial reporting team. He has seen plenty of reports where the general controls over the server room are being looked at and they look at the ability for business to be conducted in the event that something should happen. The water would wipe the servers out if there was ever a fire. He said there are also backup issues. Joe Kask said they do have backups so they believe that the Town could come back up and operate. A report had been issued in 2009 with recommendations, as well as findings, and he told Councilor Bill MacDonald that he doesn't know if he ever saw that. Joe Kask said the highlights of this were that the network user ID and password controls needed improvements, additional user ID controls needed to be implemented and backups need to be monitored regularly, etc. Councilor Bill MacDonald said he would like to get a copy of this because he hadn't been on the Town Council then. He assumed the follow-up on all of those issues has been tracked since 2009. Joe Kask said management has been talked to about this and they have been updating their issues. They have continued talking to management in the areas where they haven't complied. Another "deep dive" will be done this year into all of the issues.

Councilor Bill MacDonald told Joe Kask and Jeff Ziplow if they had felt that these were worthy to put in a report then he thinks they have an obligation to continually report on the follow-up of those items in writing and to the Town Council. Councilor Bill MacDonald said at this point that these appear to be pretty significant issues and he questioned them not being written about but being talked about with the Town Manager. Councilor Bill MacDonald said this doesn't sit well as far as where he is sitting and he said maybe this is just a change in philosophy. He said that he was probably the biggest control guy at the Council table now and he said that he really wants to get stronger controls. He asked for things to be written up if they are identified and for these things to be followed-up on. Joe Kask said sure. Councilor Bill MacDonald said material weaknesses and significant deficiencies are whole different issues as far as a management letter or best practice document. He said for them to make sure that there is a proper follow-up plan when things are identified. He explained that the members on the Town Council change every couple of years. There are only a handful of Councilors now who had been on the Town Council in 2009 and 2010 and who would remember this.

Joe Kask said they can be a little more vigilant in some of their written communication. He told Councilor Bill MacDonald that he wanted to address his remark about the follow-up, etc. Joe Kask said the internal control over the Town isn't BlumShapiro's. It is the Town's responsibility to follow-up and it is BlumShapiro's responsibility to report things that they find to the Town. They can ask on an ongoing basis and he said this is one of the reasons that they are going to come back in and do a "deep dive" into the issue. Councilor Bill MacDonald said he gets that but a five year "deep dive" follow-up doesn't sit well with him. He told Joe Kask and Jeff Ziplow that he expects an issue to be documented if they identify one and he would like to see this issue closed the following year. Councilor Bill MacDonald thinks it will be an even bigger issue if it isn't closed. He knew that Chairman Cathy Vargas wanted to talk about the upcoming engagement at some point and how they are going to work together, etc. Councilor Bill MacDonald said maybe they can approach this in a different way.

Jeff Ziplow said they create internal memos to file as part of their standard documentation and these provide the detail they are talking about. He told them that he has no problem sharing this with them to have them take a look at it. Joe Kask thinks it was important that this was brought

up and he told Finance Director John Mehr that they have to have their planning meeting anyways as they start to execute through the current year of the June 30, 2014 audit. Joe Kask said they should include Councilor Bill MacDonald, especially at the planning meeting. Finance Director John Mehr thought Councilor Bill MacDonald had a conflict last year when this was trying to be done. Councilor Bill MacDonald said he had been in Bermuda.

Councilor Bill MacDonald asked if Kossel 2013 is applicable to government entities. He was told that it isn't. Councilor Bill MacDonald asked if there is anything like this from a framework that they use to evaluate the Town or if this is more COBIT for IT. Jeff Ziplow said this is more COBIT. He mentioned how BlumShapiro are the auditors for the PCAOB. They are very familiar with Kossel Five Standard as it relates to SEC clients. These don't relate to the governmental and municipal environment. These are two different compliance standards. A "deeper dive" is being done this year so that they can get more comfort with the municipalities they work with. He said that some good business practices are coming out of the SEC world that they should be looking at. He explained some more. Joe Kask said the GAO has issued some guidelines around the environment and he told Councilor Bill MacDonald that his points are well taken. Councilor Bill MacDonald told Joe Kask and Jeff Ziplow that he appreciated them coming to this meeting and that it cleared up a lot for him.

Jeff Ziplow asked if there were any other questions about the report. Councilor Bill MacDonald asked if this was with regards to the IT report from the consultant and he was told yes. He said no and he mentioned that he will recycle this.

Councilor Guy Drapeau asked how many years BlumShapiro has been on the Town's audit approximately. Finance Director John Mehr said this has probably been since 1998. Councilor Guy Drapeau asked if BlumShapiro has a policy for cycling partners off. Joe Kask said yes. Councilor Guy Drapeau asked what the policy is. Joe Kask said there is no written policy but partners are rotated if a client asks. He said that Finance Director John Mehr didn't know this yet but Nikoleta McTigue, one of the principals in the office, is going to be making partners soon and she is going to be rotating in as the person who will be in charge of this audit. Councilor Guy Drapeau asked if there is a governing body or a group at Rocky Hill who gets to vet the new partners as they cycle on. Joe Kask said they just work with the Town Council and that is who their engagement letter is with. Councilor Guy Drapeau asked if the Town Council is given an opportunity to choose between one or more partners. Joe Kask said they don't generally do that but they can certainly do anything that the Town Council would like. Joe Kask said they have four partners in their office who oversee government audits. Outside of Nikoleta McTigue, there is Vanessa Rossitto, Gerry Paradis and Reed Risteen. BlumShapiro audits one hundred governments in Connecticut alone. Councilor Guy Drapeau said his question didn't have to do with credibility but it had to do with "a fresh mind" cycling onto Rocky Hill's account from time to time. He thinks it is very healthy for BlumShapiro's firm, as well as for Finance Director John Mehr's group.

Councilor Guy Drapeau asked how often the Staff and managers at BlumShapiro have been turned over when they are here on location. Joe Kask said the manager rotates out approximately every four years. Councilor Guy Drapeau asked if Finance Director John Mehr gets a say on the manager switches. Joe Kask said they usually don't give anyone a say as to

who is assigned to the engagement. The Staff usually rotates out every one to two years depending on the level of Staff they need. Finance Director John Mehr told Councilor Guy Drapeau that one of the good things is if they have people who are coming back then they are familiar with the Town of Rocky Hill's systems and this also includes the systems of Rocky Hill's Board of Education. Councilor Guy Drapeau agreed with that and he said that is the positive. The negative is that these people get comfortable and maybe they don't look at things as detailed as they should but he also said that he wasn't saying that they are doing this. He said in his experience that public accounting firms do this as a matter of business practice. Joe Kask said in the government realm that they do this. They don't audit any public companies but they do work for them. He explained that it is difficult to hold onto Staff so there is a natural function of rotation. Councilor Guy Drapeau said from his experience that it is fine to keep a manager on for four or five years because they are more of the "big picture" people. It is the senior who they want to move in and out from year to year because some years they get sharp ones and there might not be some as sharp as you would like them to be in other years. Joe Kask said that is true. He said they do have a concurrent partner on each engagement. This is a tech partner who is going to do the review. Councilor Guy Drapeau asked which firm does their partner review. Joe Kask said this is listed on the back of the engagement letter because it is required. He then said that Gerry Paradis is the concurrent review partner for Rocky Hill. He has approximately thirty-five years of experience. Joe Kask said as he signs off on the audit to document his review that Gerry Paradis is required to go through and document his review of the audit too. Jeff Ziplow said this is something of an independent assessment and review of what Joe Kask did. Councilor Guy Drapeau thinks they can tweak all of the things that they had just talked about at another time. Joe Kask said sure.

Councilor Guy Drapeau referred to IT and he said they had mentioned that they "bifurcate" their audit so he is assuming that there is a financial side and there is kind of an IT analysis. He asked what kinds of tests of controls of the IT systems they do as part of the IT analysis and he asked if he could be given a couple of examples. Jeff Ziplow said they look at network security and he gave more details about this. They will share with them what better business practices will be if they aren't using best business practices. They also look at the controls and security around the financial management system. This depends on what the financial management system is and he gave more details about this. Councilor Guy Drapeau asked if there is a hardware component to their analysis and he asked if there is an annual review that is being done. Jeff Ziplow said on the hardware side that they are doing more of an update and more follow-up. There is a schedule and this year is the year for this. They take a look at a couple of things from a hardware perspective, for example antivirus software, and they will do some testing to make sure this is on the PCs, which will be randomly selected. They make sure that the most up-to-date antivirus software is on them. They also look at firewalls to make sure that they are up-to-date from a firmware perspective. The same thing is true for the servers and he gave more details about this. He explained that they come in and do an overall assessment. This is not just for the financial management system of Rocky Hill but it is for the financial management system of their schools. The systems for the Assessor and Tax Collector are also looked at because they view these as a core application of the municipality so they want to ensure that the same application security exists there. They want to validate what application security exists there.

Joe Kask told Councilor Guy Drapeau that his questions are great and he said that Councilor Bill MacDonald also had great ones. Joe Kask said he understood the environment and he understood their questions but he asked if there was a particular concern that he needed to be aware of. Councilor Guy Drapeau said they had gotten a report from an IT “expert” who had cited a number of very scary things. He said that he, Councilor Bill MacDonald and Chairwoman Cathy Vargas are all financial people and they are all thinking about if all of their taxpayers’ assets are being safeguarded. Councilor Guy Drapeau said the first place that they would think to go is the audit report. He told Joe Kask and Jeff Ziplow that their testing, at least on a cursory level, should have noted something if there are stated IT deficiencies. Councilor Guy Drapeau said they are stuck in a situation now with regards to the IT report maybe not being as reliable as they thought it was or if BlumShapiro’s level of testing and findings is not “diving deep enough” on a per annum basis. He said this is what he is trying to figure out.

Councilor Guy Drapeau told Joe Kask and Jeff Ziplow that they had mentioned they had findings and recommendations in 2009 and there had been a number of IT related items that they had noted in their commentary. Councilor Guy Drapeau asked if these issues were raised to the level of a management letter comment in 2009. Joe Kask said no. There is a separately issued report that is done by Jeff Ziplow’s group. Councilor Guy Drapeau asked if this was internal discussion only. Joe Kask said yes. There was nothing of an internal weakness or a significant deficiency. He said that he is looking at and assessing control risk over the financial management system. He referred to some of the things that are cited in the IT report, such as laptops in the Police cars. Councilor Guy Drapeau told them that “bells are ringing” for him as soon as they had said Tax Collector, Assessor and the Board of Education. He said these are the only things that he is concerned about and all of this was in the IT report. He mentioned that if these issues didn’t rise to the level of a management letter comment then BlumShapiro wouldn’t have an obligation to continue updating Rocky Hill on this. This would have been something that would have been spoken at in a meeting at the end of the audit. He asked if it is correct that this would have been the end of it. Joe Kask said that is correct. Councilor Guy Drapeau said that is great and this is protocol across the industry so this is no indictment here. He thought what is happening is that there is a communication problem. There are discussions being held with the management of Rocky Hill but not with the Town Council. Councilor Guy Drapeau thinks they need to bridge this.

Chairwoman Cathy Vargas said from what she is gathering that she thinks they need to create an audit process with the Finance Committee. She told Joe Kask and Jeff Ziplow that they can come in and discuss the engagement letter. Chairwoman Cathy Vargas said these are dated in the May/June timeframe. There are three members on the Finance Committee and she thinks they should all hear this and be part of the discussion, as opposed to just one of them. She said BlumShapiro can come back once the audit is complete even if deficiencies aren’t noted in the letter so that they can go over what had been talked about for things that were discussed by them and Finance Director John Mehr but not written down in the report so that the Finance Committee can hear about those. She said that Finance Director John Mehr does a great job but she explained that these Finance Committee meetings are televised and this would also be in the record if the members of the Finance Committee discussed this. Joe Kask said he agreed. He mentioned that they do sit down with the Town during the planning stage of the audit. They talk about the Staff for the audit and they talk about the audit approach, etc. They have this meeting

every single year. He said that they will try to coordinate more schedules or try to get more people involved in these meetings or Finance Director John Mehr can do this. Joe Kask said they will certainly come in to meet with the Town Council at the end of the audit if they want them to because they had done this many years ago in the past.

Jeff Ziplow said most municipalities that he works with are less engaged in the whole technical side of things. He was saying this in a very positive and constructive way. He will be more than happy to come back at any time after they go through the assessment review. He told the Councilors if they liked that they could talk about the technology things in more detail. He also told them that he would love to share his comments and thoughts with them.

Councilor Bill MacDonald thought this would be great. He had pulled the Minutes from the Finance Committee meeting in March of 2010. He told Chairwoman Cathy Vargas that she had been at that meeting. BlumShapiro had come in to speak about deficiencies in the control process. This was for the Board of Education and the Assessor, etc. Councilor Bill MacDonald said those items had been brought to their attention and the Town Council did know about those things. He thinks they need to have a written record even if something isn't a material weakness or a significant deficiency and they need to follow-up on them. Joe Kask said okay.

Councilor Guy Drapeau told Joe Kask and Jeff Ziplow that they have internal conversations with the Staff about procedures and protocols, particularly on the IT side. Councilor Guy Drapeau asked if it is correct that there should be write-ups from those individuals as to how they are following those protocols. Joe Kask said they document the control areas. Councilor Guy Drapeau asked if they are mandated to write this down and document it. Jeff Ziplow said not on the IT side. Joe Kask said on the internal control side of the audit that they interview people, document this and then they do their walkthroughs, as well as tests. Councilor Guy Drapeau said they can talk about this later. Jeff Ziplow said they produce a document that provides a baseline, as well as recommendations and findings. He told the Councilors that this certainly is a document that can be shared with them.

Chairwoman Cathy Vargas asked Councilor Guy Drapeau and Councilor Bill MacDonald if they were good. Councilor Guy Drapeau said he didn't have anything else to ask. Councilor Bill MacDonald thanked Joe Kask and Jeff Ziplow very much and he told them they had been very helpful. Chairwoman Cathy Vargas and Councilor Guy Drapeau also thanked Joe Kask and Jeff Ziplow. Joe Kask and Jeff Ziplow said thank you also.

#### **IV. DISCUSSION – PARKS AND RECREATION SPECIAL REC ACCOUNT – PARKS**

Finance Director John Mehr said Mona McKim (Treasurer) was on vacation but she provided him with some information before she had left. Finance Director John Mehr told the Councilors that he thought he had given them the color version of this. He thought they were asking for high and low balances so Mona McKim had color coded this to give them an idea of the balances in the particular accounts. Finance Director John Mehr said he and Mona McKim also had done something quickly with regards to something they will be proposing to do starting on July 1<sup>st</sup>. They are trying to condense the seventeen accounts down that Lisa Zerio has been keeping track

of. They are going to try to put this into five accounts on a Munis level. They are preliminarily thinking about having these are “Youth”, “Family”, “Preschool”, “Seniors” and “Other”. They would be able to produce a financial statement with regards to all of the revenues that are associated with these five accounts, as well as the expenses, on a fairly regular basis. They would look at the current balances in the accounts and they would transfer an amount that they determine to be safe into the nonrecurring account. This would be designated for expenditures and repairs to the parks so that money will be there to fix anything that might go wrong at the various athletic facilities. They will take a look at how the Special Rec fund is doing every year. They will also do a transfer in and out depending on how well they did as far as determining what their revenue should be to cover their costs. He said that Lisa Zerio will keep a more detailed record of all of the various programs. This will be like a sub-ledger that will hopefully tie into the Munis report.

Chairwoman Cathy Vargas confirmed with Finance Director John Mehr that his goal is to have this in place for July 1, 2014 and he said yes. Chairwoman Cathy Vargas confirmed that after that time, they will be able to look to see how much money they can pull out and put into nonrecurring. Finance Director John Mehr said in the beginning that they will probably look at doing this every May. They might be able to do this every few months or every six months once they fine tune it. He said the key thing is that they will be close to breaking even going forward. Chairwoman Cathy Vargas asked Finance Director John Mehr when he is anticipating the first movement over. Finance Director John Mehr said they will probably bring the proposal to this Committee and to the Town Council for them to authorize the transfer of “X” amount of dollars out of Special Rec into the nonrecurring account for maintenance and repairs to various athletic facilities and parks. Chairwoman Cathy Vargas asked if they are talking about July, August or September of this year. Finance Director John Mehr said this will be done by June 30, 2014. Town Manager Barbara Gilbert said funds won’t be able to be removed from July 1<sup>st</sup> until April 1<sup>st</sup>. Finance Director John Mehr said a lot of coding has to be done as far as payroll people and expenditures. This can be reviewed on a quarterly basis going forward.

Councilor Guy Drapeau confirmed that these accounts are going to be reduced to five. Finance Director John Mehr said there will be five major Munis accounts. Councilor Guy Drapeau asked within these if they are going to be able to track the plusses and minuses of the cash. Finance Director John Mehr said this will be in the five major groups. Councilor Guy Drapeau asked if this will be for the activities inside these five groups and he asked if there will be any sub-accounting that will be going on. Finance Director John Mehr said the sub-accounting will be kept by the Parks and Recreation Department. Councilor Guy Drapeau said he is concerned because Lisa Zerio has a lot of programs going on and they don’t have a good idea even right now of what is making money and what isn’t. He started to say that he is worried about these being further condensed into five accounts and then he said maybe some need to be subsidized but they will be able to determine at least which ones need to be. He said if some sub-accounting is going to be kept that this should be handy for them or at least Finance Director John Mehr to look at.

Chairwoman Cathy Vargas asked Councilor Bill MacDonald if he had any questions. Councilor Bill MacDonald said just from looking at this that this is going to be a large transfer because they are talking about hundreds of thousands of dollars. Finance Director John Mehr said most likely

it will be. Councilor Bill MacDonald said the year-to-date balance is climbing every year so this tells him that they are actually running a profit. There is a beginning balance of over \$400,000. He is looking forward to the analysis and he thinks there will be a big number coming out. Finance Director John Mehr said yes. Councilor Bill MacDonald thinks a question for the Town Council is if this is the right account where this money should be going. This is years and years of the buildup of funds in the Special Rec Account. He would hate to take \$400,000 out and throw it into the account (nonrecurring) because he doesn't know if this will be the right use of this money at this point in time given their financial situation in Town. He thinks this is something for the Town Council to determine as to where this money actually goes. Finance Director John Mehr said they are just making a proposal and recommending that the money goes there with the intent that this be used for parks and recreation improvements. The Town Council can change this to wherever they want the money to go to. Councilor Bill MacDonald said there are immediate needs where the \$400,000 could be soaked up right now (i.e. McVicar Field). Chairwoman Cathy Vargas said that would work through nonrecurring. Finance Director John Mehr said they will be segregating this money that is set aside and seeing how things will go during the year. Councilor Bill MacDonald said when they will be transferring this money over that they also have an allocation of \$150,000 in the budget this year. He explained some more. Chairwoman Cathy Vargas said by the end of the year that if they assume there is going to be "X" amount of dollars that they can reduce the budget by that assuming that this money is going to go over. Town Manager Barbara Gilbert said they will be all set if they do this cut and they up the revenues. Chairwoman Cathy Vargas said they could talk about this when they get to the Capital Improvements. Councilor Guy Drapeau said he likes the plan. Chairwoman Cathy Vargas thanked Finance Director John Mehr very much.

Councilor Bill MacDonald said he is still bothered that there is scholarship money in the Special Rec Account for which there are no payments of scholarships. Lisa Zerio said since the last Finance Committee meeting that she has been sitting down with her Staff. There were seventeen "R" codes and there are five now. She still has two hundred programs. She thinks that Councilor Guy Drapeau had brought it up the best the last meeting as to how theirs is more of a manual type of ledger type of thing. Lisa Zerio said she still needs to know where the monies are going to and which programs are making money. They have sponsorships, donations and vendors and she said that they have to do some "housekeeping" on their side. She understands how this is confusing to them and she said they are working on this now. Chairwoman Cathy Vargas thinks they are moving in the right direction because this is so much better than it had been a couple of months ago.

Town Manager Barbara Gilbert believes there had been an Ordinance when this Special Rec Account had been created. She said they also have one for youth counseling in Human Services but that annually sweeps itself if there is anything over and above a minimal dollar amount. That money will go back into the General Fund. She told them that they might want to consider having an Ordinance prepared that has a sweep after they get a real handle on the dollar amount. They can designate in the Ordinance where they wish the money to go back into. This will become an automatic function. Chairwoman Cathy Vargas thanked Town Manager Barbara Gilbert.

Chairwoman Cathy Vargas thanked Finance Director John Mehr and Lisa Zerio. Chairwoman Cathy Vargas asked Finance Director John Mehr to thank Mona McKim also.

**V. DISCUSSION – BANS REFUNDING MAY 15, 2014 – FINANCE**

Finance Director John Mehr told the Councilors that they should have gotten a copy of this on Monday. They have their \$4,100,000 BANS that will be maturing in approximately one month. They are moving to increase this by \$4,000,000 to get this up to \$8,100,000. The increase of \$4,000,000 relates to road improvement items. The Town is getting ready to go out to bid for the bridge next week, as well as for the road improvement program. The Town has received a copy of the draft of the official statement that they will have to review next week. The bid opening will be on May 6, 2014. The closing date will be on May 15, 2014. He said this is more of a placeholder because the road improvement program is starting to move forward. They need to get cash in to fund that. Once they get a better idea of what the cash need is going to be for the RHHS project then they might be going out to bond it in order to try to take advantage of the low rates. He said they have a very good interest rate.

Councilor Guy Drapeau asked what bank these funds are going to be parked at. Finance Director John Mehr said this will probably be STIF. They have gone through almost \$1,600,000 in the school referendum already and this is primarily for the architect. He then referred to the land acquisition referendum and he guesses that is still being negotiated so that is the only cash that is sitting idle. They are going to go out to bid for the bridge in a couple of weeks so he is assuming that they will start going through this quickly. Town Manager Barbara Gilbert said they are also expecting the acquisition of the development rights for the first farm to go through in the next two months.

Chairwoman Cathy Vargas asked the Councilors if they had any other question. The Councilors had none.

**VI. DISCUSSION – BANK BALANCES AND FEES – FINANCE**

Councilor Guy Drapeau said he continues to enjoy this report. Finance Director John Mehr said that Mona McKim had prepared this for them and she wanted to make sure that they received this before she left for vacation.

Chairwoman Cathy Vargas asked the Councilors if they had any questions on this. Councilor Guy Drapeau said this item probably could be pulled off of the agenda as long as they get this. Finance Director John Mehr asked if they want this quarterly. Councilor Guy Drapeau said quarterly will be fine and he asked the Councilors if this is okay. Chairwoman Cathy Vargas and Councilor Bill MacDonald said this is fine. Councilor Guy Drapeau thinks this is in a format now that is good, readable and easy to understand so he said that quarterly will be fine. Finance Director John Mehr said they will do this again at year end.

**VII. DISCUSSION – RHHS RENOVATION PROJECT SPECIAL ACT – FINANCE**

Finance Director John Mehr said the cost of this project will go up to \$50,000,000 if the legislation passes. They are also authorized to bond up to \$50,000,000. He told them that the first page of the paperwork for this is Town Manager Barbara Gilbert's summary of her work in getting this through. The second page of this paperwork breaks out how the referendum had been worded on June 5, 2012 with regards to how this was going to be a project for \$44,955,000. It would be \$16,400,000 for the anticipation estimation of the State grant. The Town would be bonding \$28,555,000. O & G Industries, Inc. had prepared a schedule and if this project goes through as a \$50,000,000 cost project and a bond authorization, they think this will be brought down to \$49,204,841 after value engineering but this had been a couple of weeks ago. He said this number is probably no good any longer. The Town's reimbursement from the State for this project will be increased at a projected \$20,600,000 by them getting the space waiver from the State. This will then drive the bonding costs down equivalent to what they were at the referendum that had been passed in 2012. Councilor Guy Drapeau thought they were only allowed \$2,500,000 maximum on this and he asked if this has changed. Finance Director John Mehr said their eligible costs will be increased if the legislation passes the space waiver. They are hoping to make the \$4,000,000 up through State reimbursement. Councilor Guy Drapeau asked what will happen if this doesn't pass. Finance Director John Mehr said they will have to increase their bonding costs. The key thing is that they are up at \$50,000,000. This will be dropped down to whatever they get back from the State and this is what they will have to bond.

Town Manager Barbara Gilbert said there is an unknown and there is a known with this. The space waiver is an administrative function and she said the known is that they will get this. She had talked directly with Commissioner Donald DeFronzo of the Department of Administrative Services and he assured her that he will oversee this administrative function. Town Manager Barbara Gilbert said the second thing is dependent upon the legislature. This is being put as an amendment to a bill that is doing the same exact thing for Norwich and for Wethersfield. This has come out of Committee already. She said in addition to this that Bond Counsel had an issue with the words "legislative body" and she said this should state "Town Council". This doesn't conform with what Bond Counsel wants because "legislative body" is too generalized. Bond Counsel has been working with Paige Farnham (DCS) to have this changed in the bill. Town Manager Barbara Gilbert said she is expecting this to be changed. She explained some more about this.

Chairwoman Cathy Vargas asked the Councilors if they had any questions. The Councilors had none. Chairwoman Cathy Vargas said thank you.

**VIII. UPDATE – STATE AID TO MUNICIPALITIES FOR 2013-14 BUDGET – FINANCE**

Finance Director John Mehr said they received their second installment this month from the Mashantucket grant. This was a little over \$93,000. They will receive the remaining amount of this grant in June. They are on target with the State grants that are coming into the Town for the current year.

Finance Director John Mehr said the second page of the paperwork that they had for this is an update from CCM as to how the legislators increased some of the grants above what the Governor had proposed in February 2014. The ECS grant went up almost \$54,000. Their biggest increase is \$171,000 from PILOT money. He and Town Manager Barbara Gilbert explained how this extra money had become available to the Towns. Town Manager Barbara Gilbert said it has been announced that there is going to be major tax reform in next year's legislative session.

Chairwoman Cathy Vargas asked the Councilors if they had any questions. The Councilors had none.

#### **IX. UPDATE – WEST HILL SPRINKLER PROJECT – FINANCE**

Finance Director John Mehr said he had prepared this today and he told the Councilors that he sent this to them electronically. He also included this in their packets. The bids came in substantially less than what they had anticipated them to be, especially for the contractor to do the fire sprinklers, etc. The total cost of the project is estimated to be a little less than \$1,100,000. Approximately \$42,000,000 of this had been appropriated out of nonrecurring over one year ago in order to pay for the architect to do the design work so that the Town could bring this to the State for them to qualify for State reimbursement. After the bids were received, the net cost to the Town is \$1,032,000. They came in approximately \$212,000 under budget. Their State reimbursement was going to be approximately \$339,000 when they had put their budget together. This number will drop probably 10% or so because their costs came in less. They will probably be getting closer to \$300,000. Councilor Guy Drapeau said they are at about \$160,000 for their triple net. Finance Director John Mehr said yes. This frees up the \$212,000. He said they had just talked about what they had approved for school improvements in the Capital Improvement budget in the current year. They were holding off on spending any of this money until they got the final cost for the sprinkler project at West Hill School. There was another \$173,000 that was designated originally for restroom improvements at Stevens School or West Hill School. Town Manager Barbara Gilbert said this was for Stevens School. Finance Director John Mehr said they are probably close to a little less than \$400,000 of money that is left in the current Capital Improvement budget line. This can be used for other things that are being talked about. A proposal is going to be brought back to have some air conditioners put in at Griswold Middle School for a Special Needs student who needs this. The cost for this could be between \$40,000 to \$60,000. They will be going out soon to bid for this. They can have this work started on June 20, 2014, which will be a couple of days after school gets out, if they do it in this year's budget hopefully so that they can have this in place during the summer months. He also said that some design work is being done at Stevens School for the restrooms that are near the gymnasium.

Chairwoman Cathy Vargas asked the Councilors if they had any questions. The Councilors had none.

**X. MONTHLY FINANCIAL REPORT – MARCH 2014 – FINANCE**

Chairwoman Cathy Vargas asked the Councilors if they had any questions. Councilor Guy Drapeau said he had a comment. He said when he was looking through this report that he had found about a dozen departments that had underspent by more than \$5,000 in the current year-to-date. He found more than two or three dozen line items where there was quite a bit of money that is way under the average and way under what it looks like they were going to spend for the year. He told them that he knows they do some kind of an allocation in May to “right the ship”. Town Manager Barbara Gilbert said that everything is frozen until they know how overtime is going to be covered. No one is buying anything unless it was budgeted for and it is absolutely necessary. Councilor Guy Drapeau confirmed that money is not being spent in these accounts so that the overtime can be paid for. Town Manager Barbara Gilbert said this is to make sure that they can close their year end and cover their books. Councilor Guy Drapeau said okay. Town Manager Barbara Gilbert said this is the only way they can do this and she explained some more. Finance Director John Mehr said this is for the retirement benefits too because those are probably a bigger driver than the overtime is.

Chairwoman Cathy Vargas said she had a question about the Grand List. She referred to the delinquent taxes. She said this is for the Grand List of 2012 and the total taxes due are almost \$847,000. It was almost \$893,000 the prior year. She said that Councilor Bill MacDonald had brought this up before and this is a lot of money that could be helping them out. Chairwoman Cathy Vargas said she was wondering about the status for all of this. Finance Director John Mehr thinks they are going to start looking into tax liens, especially on the real estate properties. Town Manager Barbara Gilbert said she has also asked the Town Attorney to explore tax sales for vacant parcels of land where people don't pay taxes. Councilor Guy Drapeau referred to 2013 and then he said they are leaving some real money on the table if they add all of the years together. He said that maybe it is possible that they aren't being tough enough on the delinquent parties and maybe they need to revisit the policy for collections. Chairwoman Cathy Vargas said there are one hundred and seventy-three accounts in real estate for \$600,000 so she said this isn't like it is one big one. Town Manager Barbara Gilbert said they started a foreclosure process on twenty-three accounts in 2011. Quite a few of these people worked out payment plans with the Town Attorney or they came in to pay after this happened. Town Manager Barbara Gilbert said they are going through one foreclosure now based on this and they have some vacant property that she is stressing they do a tax sale on.

Councilor Guy Drapeau asked if it would be worth getting what their policy is on collections for delinquent accounts. This would be for when it comes to real estate and when it comes to personal property. He asked if it would be worth it for them to reach out to these delinquent accounts to offer some type of amnesty on late fees if they come in and pay by a certain time. Town Manager Barbara Gilbert said they can't because this isn't allowed by State Statute. Interest must be collected and they can't waive it. Councilor Guy Drapeau asked about the penalties. Town Manager Barbara Gilbert said the interest is the penalty and this is 18% (1.5% per month). Chairwoman Cathy Vargas said she had just wanted to make this observation. Town Manager Barbara Gilbert told Councilor Guy Drapeau that there may be fees and she explained some more. Town Manager Barbara Gilbert said these fees though are those of the Marshal or the person who goes out to collect. Councilor Guy Drapeau asked if they could do

creative accounting and reduce the amount of the tax that is due in lieu of the interest. Town Manager Barbara Gilbert said this is the Assessor adjusting the Grand List. She explained that the Statutes tie their hands and she thinks that the Tax Collector would have to directly answer these questions. Councilor Guy Drapeau said maybe they can't do anything but he was just trying to figure something out. Town Manager Barbara Gilbert said she gets calls all of the time from people who can't pay the interest but there is nothing that the Town can do.

Chairwoman Cathy Vargas asked Councilor Bill MacDonald if he had any comments. Councilor Bill MacDonald said he had spoken about this before and he thinks they are "anemic" with regards to how they are addressing the past due. They had this list several months ago and it goes back five years. He mentioned how one lawyer isn't calling them back and he thinks that this whole process needs to be revamped. Policy is one thing but he said he is more uncomfortable every time that he sees this. There is very little collection effort, if any, taking place and they are leaving big money on the table. The taxpayers are paying for this so he thinks that this is something they really need to be driving through the Tax Collector and outside services in order to get money into the Town. Chairwoman Cathy Vargas said the Tax Collector has come before this Committee. Chairwoman Cathy Vargas thinks they should explore getting a part time person in that office to focus on this. Town Manager Barbara Gilbert thinks their dollars would be better spent if they had a company for this that would add a fee onto this and who would collect from the person who is delinquent instead of paying a salary for a part time person. Chairwoman Cathy Vargas thinks if resources need to be focused on this that it would be well worth it. Town Manager Barbara Gilbert thinks they need to look at a different collection agency. This had been done years ago with parking tickets and it turned out to be very profitable. Chairwoman Cathy Vargas asked Town Manager Barbara Gilbert if she or Finance Director John Mehr can get back to the Tax Collector. Town Manager Barbara Gilbert thinks that the Tax Collector has to come in with a proposal for the Town Council and the Finance Committee to approve. Finance Director John Mehr told them that they have to understand that the tax bills will be generated pretty soon. The key thing will be the processing of the cash to be collected in July. Chairwoman Cathy Vargas said she knows they are going to end up with a cycle and then there will be supplemental bills. Town Manager Barbara Gilbert said those may not get immediately implemented.

Councilor Guy Drapeau said he would charge the Tax Collector, Finance Director John Mehr or Town Manager Barbara Gilbert to reach out to some of their neighboring Towns in order to find out who is doing this better than Rocky Hill. Councilor Guy Drapeau said for Rocky Hill to do a little emulation. Chairwoman Cathy Vargas said there is no reason to "recreate the wheel" if someone else is doing this right. Councilor Guy Drapeau said absolutely not.

## **XI. LEGAL BILLS – TOWN MANAGER/FINANCE**

**Councilor Guy Drapeau made a motion to approve the Legal Bills and forward these to the Town Council for its Consent Agenda. The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

**BE IT RESOLVED THAT the Town Council/Finance Committee hereby authorizes the payment of the following legal bills for services rendered.**

Rome McGuigan, P.C.	\$8,222.00 (Mar)
Joseph Fasi LLC	<u>\$ 0.00</u>
<b><u>TOTAL</u></b>	<b><u>\$8,222.00</u></b>

**Other Services:**

**XII. UPDATE –USE OF OVERTIME – TOWN MANAGER**

Town Manager Barbara Gilbert passed out information with regards to this to the Councilors. This is related to Police and weather related calls right now. They have no control over school facilities because overtime there tends to happen based upon the events. She said it is “enough to drive you crazy” with regards to the Town facilities and retirements, as well as illnesses. They are trying to backfill these positions with part timers instead of using overtime.

Overtime is being driven in the Highway Department by anything that is weather related. The Highway Department had been called out by the Police this morning at 4:00 a.m. The Highway Department also has call-ins. These are made by the Police Department if they need speedi-dry due to an accident, etc. so the duty man is called in. Town Manager Barbara Gilbert said these are things that they can’t stop.

Chairwoman Cathy Vargas asked Finance Director John Mehr if he is going to be working on taking the contingency and moving it out so they will have a better handle in seeing if they will have enough to cover all of this. Finance Director John Mehr said he will probably have something at this Committee’s next meeting. They generally do a transfer in April to balance off unknown expenses that they paid for out of contingency, as well as salary increases. A Capital Improvement transfer is done into the nonrecurring account at the end of June. They then do a balancing sometime in August or September where they transfer excess balances to the accounts that have deficient ones. Councilor Guy Drapeau said he would like to see these journals to see where the money is being moved. Chairwoman Cathy Vargas said this is brought to them because it has to be approved by them. Town Manager Barbara Gilbert said per the Town Charter that they can’t approve a cent without the full Town Council’s approval.

Chairwoman Cathy Vargas asked Councilor Bill MacDonald if he was all set. Councilor Bill MacDonald said he was.

**XIII. UPDATE – EXPENSE REDUCTION ANALYSTS**

Finance Director John Mehr said he had tried calling New London with regards to this and the person who they recommended that he speak to was in a meeting so he asked for a call back but he hadn’t heard back yet. Town Manager Barbara Gilbert said she also had called and was told that this person was out that particular day so she also asked for a call back.

Chairwoman Cathy Vargas said they had a presentation from Expense Reduction Analysts in January 2014 and she referred to the gentleman from there waiting. Town Manager Barbara Gilbert recommended with her being down to approximately seventy-four days and because this is the end of the year, as well as that they are going into the budget time, etc., for them to let the new Town Manager make the decision with this Committee if this is the way that they wish to go. Town Manager Barbara Gilbert thinks this should be put off until that time because this will have an impact on what that Town Manager will be doing as the Chief Administrator. Chairwoman Cathy Vargas asked the Councilors if this is alright and she said that she will get back to the gentleman from Expense Reduction Analysts. The Councilors said this is alright. Chairwoman Cathy Vargas thanked Town Manager Barbara Gilbert.

#### **XIV. OTHER**

Chairwoman Cathy Vargas said she noticed that there were two things in their packets as far as “Other” was concerned. One of these was with regards to CRRA (Connecticut Resources Recovery Authority). Finance Director John Mehr said CRRA rebates a check back to the Town based upon the recycles that it sends in. They received a check for \$16,254.70 last month. Chairwoman Cathy Vargas asked if this is for a whole year. Finance Director John Mehr thought this was for six months. Town Manager Barbara Gilbert said the cost of recycling has gone down but this is still something. Finance Director John Mehr said this amount was based from November 2012 to June 2013.

Finance Director John Mehr then referred to the other item in their packets. Rocky Hill, through CREC (Capitol Region Education Council), had joined a number of Towns, as well as Boards of Education, to purchase electricity as a group when the electricity got deregulated. The consultant who they had been using to buy this electricity had been charging them a higher rate and someone else a lower one. This person was collecting the difference in the middle. The law enforcement agencies caught up with him. He was prosecuted and Finance Director John Mehr believes that this person was sentenced on April 11, 2014. Rocky Hill’s share is \$5,500 with regards to recovering money from this consultant. He told them that they could see on one of the sheets, the number of Boards of Education and Towns that were involved with this and he thinks the total came out to almost \$250,000. Chairwoman Cathy Vargas asked if the \$5,500 will go to the General Fund. Finance Director John Mehr said yes.

Chairwoman Cathy Vargas asked the Councilors if they had any questions. The Councilors had none and they said thank you.

Chairwoman Cathy Vargas asked the Councilors if they had anything else under “Other”. Councilor Bill MacDonald said he knew that they were sent an item with regards to the accrued benefits worksheet. He asked if he could be walked through what he was looking at there and he asked if these are individuals. Finance Director John Mehr said yes. Certain employees get a payback of their sick time depending on when they were hired. This is based on the number of years that they have worked for the Town. This is as well as any unused vacation time. He explained some more. This is the general rule for most of the employees. Some of the employees were hired after some changes were made so they might be capped or they might not get any sick time payouts. He said they are getting a reflection of the employees in the various

departments as to what they have for vacation time and sick hour payout. This was based on June 30<sup>th</sup>. This schedule is done for the audit report once per year. He said the names have been removed. He referred to the middle column and said that gave what the payout is based on the years of service for the employees. Councilor Bill MacDonald referred to the 5<sup>th</sup> one down on this and he said that \$65.61 is the hourly rate. He referred to the total accrued vacation time that this employee has. Councilor Guy Drapeau said this employee has 192 hours of vacation time accumulated. Councilor Bill MacDonald said this comes to \$12,000. He said that some of these were different so he said this is due to whatever the contract is. Finance Director John Mehr said yes or when they were hired. Councilor Bill MacDonald said this particular employee also has 2,500 hours of sick time that they never took so that would equal 300 days. Finance Director John Mehr said 1.25 days of sick time is earned for every month an employee works so employees probably earn two weeks of sick time per year. Councilor Bill MacDonald referred back to the employee he was talking about and said they never had a sick day for twenty-five years. Town Manager Barbara Gilbert said yes and she said that employee will probably be retiring shortly. Councilor Bill MacDonald said the total payout for this employee would be \$110,000 if they were to leave today. Town Manager Barbara Gilbert said yes. Councilor Bill MacDonald said when he looked at all of this that the total accrued is \$3,100,000 and Town Manager Barbara Gilbert said yes. Councilor Bill MacDonald asked how much they have put aside for this. Finance Director John Mehr said they have been reserving money in the contingency in the past generally and if they have any extra money then they move it over. He said though that they generally don't have extra money. Councilor Bill MacDonald asked if the \$3,100,000 is fully reserved for. Finance Director John Mehr said no. Councilor Bill MacDonald said the question he had asked was how much has been reserved against this. Finance Director John Mehr said this would be maybe just a few hundred thousand dollars. Councilor Bill MacDonald said they have another huge potential liability for which they have reserved very little for. Finance Director John Mehr said though that this is why they have increased the contingency and he referred to the budget presentation. This is so that they can start to build this reserve up. Councilor Bill MacDonald asked if this has been increased by \$400,000. Councilor Guy Drapeau said there should be a liability on their balance sheet for \$3,100,000. Finance Director John Mehr said yes. Town Manager Barbara Gilbert said this was as of July 1<sup>st</sup> so some of the employees for these larger accounts have retired and she thought there were two of them. Councilor Bill MacDonald asked them why they haven't been putting money away since day one by them calculating what the annual accrued benefit would be for these individuals. Finance Director John Mehr said that generally the money is going towards the covering of other overages in the operating budget. They are starting to address this now. Councilor Bill MacDonald told Finance Director John Mehr that he got him and he asked if this also excludes any costs associated with post-retirement medical, etc. and Finance Director John Mehr said that is in another area. Councilor Guy Drapeau asked Finance Director John Mehr to carve out the total amount that is just for sick time for their next Committee meeting.

## **XV. ADJOURNMENT**

**Councilor Guy Drapeau made a motion to adjourn the meeting at 5:47 p.m. The motion was seconded by Councilor Bill MacDonald and adopted unanimously.**

Respectfully submitted,

Jo-Anne Booth  
Recording Secretary